

CITY COMMISSION MINUTES March 11, 2008

The Newton City Commission convened in regular session on March 11, 2008 at 7:00 p.m. in the City Commission room at 201 East 6th Street. Attending were Mayor Heck, Vice Mayor Nickel, and Commissioners Hall, Harris and Thiesen, City Manager Riggs, City Attorney Myers, Director of Finance Ahsmuhs, City Engineer/DPW Loomis, Director of Community Development Johnson, PIO McDaniel, Chief Denny, Lt. Murphy and City Clerk Duerksen.

Pastor Tim Mace with Koerner Heights Church provided the invocation. The Mayor then led in the Pledge of Allegiance and presided over the items of business.

CONSENT AGENDA

1. Review minutes of February 26, 2008 meeting.
2. Consider a Resolution setting a bond sale date of April 10, 2008 at 2:00 p.m.

This Resolution authorizes the offering for sale of General Obligation Bonds, Series 2008-A, and taxable General Obligation Bonds, Series 2008-B, of the City of Newton, Kansas, is assigned Res. G-1012, which is contained in Volume F of General Resolutions.

3. Accept the resignations of Audrey Seeger from the Library Board and Karla Winslow from the Newton/North Newton Area Planning Commission.

Mayor Heck submitted the name of Karen Farrell to fill the unexpired term of Audrey Seeger on the Library Board.

MOTION: Vice Mayor Nickel moved and Commissioner Harris seconded to approve the Consent Agenda. Motion carried 5-0.

REGULAR AGENDA

4. Citizen's Forum

There was no one to speak.

5. City Manager's update

- The first focus meeting with the consultant for the downtown master plan will be on March 18.
- The Sand Creek bank restoration project ground breaking will be March 25 at 2:00 p.m.

- The kickoff meeting to assess the demand for the recreation center or YMCA will be March 13. A final report from the research group is anticipated in May.
- APWA has selected City Engineer/DPW Loomis as the recipient of the "George Williams Award for Excellence in Public Works". They have also selected the City's "Sidewalk Assistance Program" as the recipient of their "Excellence in Program Operations" award.

6. Receive the Newton Public Library annual report.

Bob Grant, Library Board president, presented the annual report for the Newton Public Library. Some highlights for the year include a full time Youth Services Assistant Supervisor who will develop programs for older youth; having a mobile computer lab, broadband access being available, and video conferencing being available to the Library. The Library Board continues to plan for their future needs.

7. Consider the following in relation to a proposed hotel and conference center project:

A. Consider approval of a Letter of Intent with the developers of the proposed hotel.

City Attorney Myers reviewed the Letter of Intent with the developer for the proposed hotel/conference center project. The City has been in discussions with the developers regarding this project for a number of months. At the previous meeting, the Commission approved a 30-day extension of a negotiating agreement with the developers so staff could complete a Letter of Intent, as well as work toward the establishment of a redevelopment district for the project. The Letter of Intent is not a binding contractual commitment, but instead a statement of the good faith by the developers and the City to move forward. Both the developers and the City would become contractually committed to the project at such time as a Development Agreement is signed. The facility would be located on property at East Broadway and I-135. Both parties have agreed on the architect and general contractor for the project. The hotel would have between 70-80 rooms and would be branded under a national franchise. The hotel construction cost is estimated between \$5-\$6 million. The conference center is intended to be 10,000 square-feet with a food preparation/staging area for use by outside caterers. The conference center construction cost is estimated to be \$2.5 million. The infrastructure costs are estimated at \$420,000 and would be paid under the normal special assessment process.

The cost of the conference center would be financed through the formation of a Tax Increment Financing district (TIF). The increase in property tax revenues for this property would be applied to the payment of the costs for the project, and the existing taxes for the property would go to the normal taxing entities. In addition, the transient guest tax revenues from the developer's hotel operations would be

applied to the payment of the bonds for the conference center. The costs of the hotel would be financed through IRBs which would be repaid exclusively through hotel revenues. The conference center would be managed and operated on the City's behalf by the developers through an operating agreement. An extension of the exclusive negotiating agreement will need to be extended until June 11, 2008 in order to have the Development Agreement complete.

Tim Johnson, developer, noted the contractor being used for the project is familiar to him, as he has previous experience with them. The architect was recommended by the contractor. The size of the conference center was chosen because the numbers work economically. If the size is expanded too much, there is a funding shortfall. The finish of the conference center will be unique and be an attraction.

Community Development Director Johnson noted a study on the size for a conference center was done in 2003 and information received back showed a facility of 6,000-8,000 square-feet was needed. The proposed conference center is larger than that, with a catering kitchen. A second estimate was done by the Chamber, and they came back showing 21,000 square-feet was needed with all the extra amenities. The revenue would not support that size facility.

Discussion followed by the Commission regarding the TIF district and the size of the conference center.

MOTION: Commissioner Thiesen moved and Commissioner Hall seconded to approve the Letter of Intent as presented. Motion carried 5-0.

B. Consider a Resolution establishing a date and time for a public hearing on the proposed establishment of a redevelopment district for a hotel and conference center project at Pyle's First Addition to the City.

A Resolution of the Governing Body of the City of Newton, Kansas determining that the City is considering establishing a redevelopment district within the City, establishing the date and time of a public hearing on such matter, and providing for the giving of notice of such public hearing (Hotel/Conference Center Project) was considered.

MOTION: Commissioner Harris moved and Vice Mayor Nickel seconded this Resolution, assigned G-1013, be approved as presented. Motion carried 5-0. (This Resolution is contained in Volume F of General Resolutions.)

City Attorney Myers noted staff needed direction on how they would like to structure the bonds for the project. There are two choices that can be used. One would be to issue revenue bonds, which would be marketed to attract an investor. To use these bonds, a consultant would be needed to perform a feasibility study to

satisfy those parties who would be buying the bonds. Interest rates for these would be higher. The other option would be G.O. backed bonds. The City would have to cover the costs of the bond payment should the developers not be able to make the payment. If the bonds are backed with the City's taxing authority, the interest rates would be lower. The Commission will discuss the bonding further at their next meeting.

8. K-15 reconstruction project

A. Consider an Ordinance designating Main Street as a main trafficway.

An Ordinance designating certain streets within the City of Newton, Kansas, as main trafficways was considered.

MOTION: Commissioner Thiesen moved and Commissioner Hall seconded this Ordinance, assigned 4661-08, be approved as presented. Motion carried 5-0. (This Ordinance is contained in Volume Y of Ordinances.)

B. Receive plans and specifications for the K-15 reconstruction project.

City Engineer/DPW Loomis noted the City hired Wilson & Company, Inc. to develop the plans for the K-15 reconstruction project, and those plans are now complete. The overlay will be from SE 14th Street to the UP railroad tracks. City crews accomplished many full depth pavement repairs in advance of the project being started. Staff has worked with KDOT to acquire the maximum amount of KLINK funds (\$600,000) towards the project. Press releases about the project will be sent to local media and the Chamber for distribution as well as being posted on the city website. Construction throughout the downtown area will be accomplished after businesses are closed, including some night-time work. Prior to the work beginning, the contractor will be required to notify, in writing, all homes and businesses adjacent to the construction regarding the intended activities. KDOT plans to open bids on April 17 and award the bids on April 22. An estimated start date for the project will be May 20, 2008 with the possible project being completed by mid August. Total cost for the project is \$1.4 million.

MOTION: Vice Mayor Nickel moved and Commissioner Thiesen seconded to accept the plans and specifications for the K-15 reconstruction project. Motion carried 5-0.

C. Consider a Resolution authorizing the funding for the project.

A Resolution authorizing the improvement or reimprovement of certain main trafficways within the City of Newton, Kansas; and providing for the payment of the costs thereof was considered.

MOTION: Commissioner Harris moved and Commissioner Hall seconded this Resolution, assigned I-1111, be approved as presented. Motion carried 5-0. (This Resolution is contained in Volume F of General Resolutions.)

D. Consider an inspection agreement with Wilson & Company, Inc. for the project.

MOTION: Vice Mayor Nickel moved and Commissioner Harris seconded to approve the inspection agreement with Wilson & Company, Inc. Motion carried 5-0.

E. Set date and time to receive bids (April 17 at 10:00 a.m. is suggested).

MOTION: Commissioner Hall moved and Commissioner Harris seconded to set date and time to receive bids as April 17 at 10:00 a.m. Motion carried 5-0.

9. Consider an Agreement with KDOT for the Safe Routes to School project, and consider a Resolution authorizing the Mayor and City Clerk to execute that Agreement.

City Engineer/DPW Loomis noted the City was successful in gaining \$250,000 towards the Safe Routes to School Project. The project will implement public education to the entire school district regarding safe routes to school, including the health benefits of walking and biking, and pedestrian and bicycle safety. Physical improvements will focus on the South Breeze school campus. Those improvements will include signage and traffic control around that area, as well as sidewalks, and bike paths to connect the housing developments south of US-50 to the school campus. Sidewalk will be constructed along the north side of 14th Street from Kansas to Old Main. The north side of 14th Street was selected because pedestrians would only cross the street once; the walk can tie into the existing sidewalk along the east side of Old Main; and the south side of 14th Street has more underground utilities. The intent is to build the project later this fall. The education programs will begin at the start of school.

MOTION: Commissioner Thiesen moved and Commissioner Hall seconded to approve the agreement with KDOT for the Safe Routes to School project. Motion carried 5-0.

A Resolution authorizing the execution of a certain agreement with the Secretary of Transportation for the State of Kansas in relation to the proposed Safe Routes to School Project located in the City of Newton, Kansas was considered.

MOTION: Commissioner Thiesen moved and Commissioner Hall seconded this Resolution, assigned G-1014, be approved as presented. Motion carried 5-0. (This Resolution is contained in Volume F of General Resolutions.)

10. Consider an Ordinance adopting the 2006 edition of the International Mechanical Code, with certain amendments.

An Ordinance amending Sections 6-401, 6-402 and 6-403 of the Code of the City of Newton, Kansas, pertaining to the adoption of the International Mechanical Code; repealing original Sections 6-401, 6-402 and 6-403 of said Code; and repealing Ordinance No. 6259-98 was considered. The Ordinance will not go into effect until June 1, 2008.

MOTION: Commissioner Harris moved and Commissioner Thiesen seconded this Ordinance, assigned 4662-08, be approved as presented. Motion carried 5-0. (This Ordinance is contained in Volume Y of Ordinances.)

11. Consider reconstruction of the Magnolia bridge.

City Engineer/DPW Loomis noted in 2006 the bridge inspection revealed that the condition of the 2nd & Magnolia structure was in very poor condition. Plans were prepared and submitted to KDOT in an attempt to gain State funding for the replacement. That funding was denied. Since that time, the project has sat idle on the CIP listing. In 2002 the structure was found to have severe deterioration of the middle wall and a restrictive weight limit of five tons was placed on the structure. Options were presented to the Commission at that time to do nothing, remove the structure and replace it with a cul-de-sac, or remove the structure and replace it with a bridge. A public meeting was held to receive input from the surrounding property owners and a traffic count was completed by staff. The project has again come up for review and something must be done. The current weight limit restriction does not allow for fire trucks or school bus traffic. Loomis suggested the Commission gain public input on the project. Cost to replace the structure would be \$291,250, and to remove the structure and put in a cul-de-sac would be \$104,750. Consensus of the Commission was to get input from the public before making a decision.

12. Approve the 2008 Capital Improvement Projects.

The City Commission has spent several work sessions prioritizing a comprehensive list of improvement projects throughout the City. Staff is asking for direction from the Commission on which projects to pursue in the coming year. Discussion followed on the proposed projects listed on the CIP.

MOTION: Vice Mayor Nickel moved and Commissioner Thiesen seconded to proceed with the 2008 Capital Improvement Projects one through eight as presented, but to exclude the Magnolia bridge project. Motion carried 5-0.

13. Old business

City Engineer/DPW Loomis asked for clarification for the joint meeting with Harvey County on March 25. The joint meeting will be held at 5:30 p.m. in the Commission Chambers. She then noted the Sand Creek bank restoration project ground breaking will be held on March 25 at 2:00 p.m.

Mayor Heck raised the issue of the salvage yard on South Kansas. The State has been contacted regarding this salvage yard and staff has sent violation notices for issues under the City's jurisdiction.

14. New business

Commissioner Harris reported the Sunset mobile home park is starting to deteriorate again. Staff will inspect the premises and send notices if they are violations.

Commissioner Hall inquired about the rules for boarding up windows in the downtown area. Staff noted the building in question is complying with code.

Mayor Heck received an email inviting Commissioners to attend the League financial workshop on Saturday from 10:00 - 2:00 at the water department building. He then noted that Vice Mayor Nickel will be traveling to Germany to tour some manufacturing facilities along with others officials from Newton and Wichita. It was suggested that he be made an official ambassador for the City. The City would not be responsible for any expenses incurred by Vice Mayor Nickel.

MOTION: Commissioner Hall moved and Commissioner Harris seconded to designate Vice Mayor Nickel as the official City Ambassador on his Germany trip. Motion carried 5-0.

15. Adjournment

There being no further business to come before the Commission, the meeting adjourned at 9:23 p.m.

Mayor

ATTEST:

City Clerk